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# IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92053594
Party	Plaintiff Ugglebo Clogs, LLC
Correspondence Address	ANDREW B KATZ BELLES KATZ LLC 721 DRESHER ROAD, SUITE 1100 HORSHAM, PA 19044 UNITED STATES akatz@belleskatz.com, dvandenburgh@ccvl.com
Submission	Motion to Suspend for Civil Action
Filer's Name	J. Derek Vandenburgh
Filer's e-mail	dvandenburgh@ccvl.com
Signature	s/ J. Derek Vandenburgh/
Date	04/20/2011
Attachments	2011 04 20 Supplement to Opposition to Motion to Suspend.pdf ( 4 pages )(13559 bytes ) Exhibit 1_2011 04 11 ECF #13 Defendant's Answer.pdf ( 29 pages )(88322 bytes )

# IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

UGGLEBO CLOGS, LLC,	)
a Minnesota LLC,	)
	) Cancellation No. 92053594
Petitioner,	)
v.	<ul><li>Registration Nos.: 3050925, 3050903,</li><li>3050902, 3050865, and 3360442.</li></ul>
DECKERS OUTDOOR CORPORATION,	)
a Delaware Corporation,	)
Respondent.	) ) )
	,

# SUBMISSION OF SUPPLEMENTAL EVIDENCE IN OPPOSITION TO RESPONDENT'S MOTION TO SUSPEND THE PROCEEDING

On the date Petitioner Ugglebo submitted its Opposition to Deckers's Motion to Suspend, Respondent Deckers had not yet filed its answer in the co-pending district court case in the District of Minnesota. *Ugglebo Clogs, LLC v. Deckers Outdoor Corp.*, No. 11-CV-0213 (D. Minn, filed Jan. 28, 2011). On April 11, 2011, Deckers entered its Answer in that case. Ugglebo submits herewith a copy of that Answer because it is inconsistent with Deckers's argument in support of its motion to suspend the present proceedings (Exhibit 1).

In its motion, Deckers argued that the district court action would "directly affect the resolution of the issues currently before the Board." Respondent's Br. at 3. Specifically, Deckers asserted that the district court action would resolve likelihood of confusion, and that the court's determination on that issue would be binding on the Board. *Id.* at 2–3. In Deckers's answer to Ugglebo's complaint in the district court, however, Deckers did not dispute likelihood of confusion. *Ugglebo Clogs, LLC v. Deckers Outdoor Corp.*, No. 11-CV-0213 (D. Minn, Answer filed Apr. 11, 2011). In fact, Deckers asserted that Ugglebo's "use of the designation

'Ugglebo' on clogs is likely to create consumer confusion with Deckers's" UGG mark. *Id.* at ¶

16. Further, Deckers admitted "that consumers of Plaintiff's clogs bearing the designation

'Ugglebo' are likely to believe mistakenly that such products are manufactured by or authorized,

endorse, or sponsored by Deckers." *Id.* at ¶ 17. Because neither party is disputing likelihood of

confusion, the issue will not be decided by the district court.

Deckers's motion to suspend was predicated on the overlapping issue of likelihood of

confusion. Given that this issue is no longer before the district court, there is no need for the

Board to defer to the district court's findings. For this reason, and the reasons outlined in

Ugglebo's Opposition filed on April 5, 2011, a stay of the cancellation proceeding before the

Board is not warranted.

Dated: April 20, 2011

Respectfully submitted,

CARLSON, CASPERS, VANDENBURGH &

LINDQUIST

By s/J.Derek Vandenburgh

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### And

# BELLES KATZ LLC

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COUNSEL FOR PETITIONER UGGLEBO CLOGS, LLC.

# **CERTIFICATE OF SERVICE**

I, J. Derek Vandenburgh, certify that on April 20, 2011, a copy of Petitioner's Supplemental Evidence in Opposition to Respondent's Motion to Suspend the Proceeding in *Ugglebo Clogs, LLC v. Deckers Outdoor Corporation* (Cancellation No. 92053594) was served on counsel by First Class U.S. Mail to:

Ulana Holubec Quinn Emanuel Urquhart & Sullivan, LLP 51 Madison Avenue, 22<sup>nd</sup> Floor New York, NY 10010

s/ J. Derek Vandenburgh
J. Derek Vandenburgh

# Exhibit 1

# IN THE UNITED STATES DISTRICT COURT DISTRICT OF MINNESOTA

UGGLEBO CLOGS, LLC,

Court File No.: 11-CV-0213 (PJS/FLN)

Plaintiff,

VS.

ANSWER AND
COUNTERCLAIM OF
DECKERS OUTDOOR
CORPORATION

DECKERS OUTDOOR CORPORATION,

Defendant.

DECKERS OUTDOOR CORPORATION,

**JURY TRIAL DEMANDED** 

Counterclaimant,

VS.

UGGLEBO CLOGS, LLC,

Counterdefendant.

Defendant and Counterclaimant Deckers Outdoor Corporation (hereinafter "Defendant, "Counterclaimant," or "Deckers"), by and through its undersigned counsel, for its Answer and Counterclaim to the Amended Complaint filed by Plaintiff and Counterdefendant Ugglebo Clogs, LLC (herein "Plaintiff," "Counterdefendant," or "Ugglebo Clogs"), states and alleges as follows:

## **PARTIES**

- 1. Lacks sufficient knowledge or information to form a belief as to the allegations in Paragraph 1 of the Amended Complaint and on that basis denies such allegations.
  - 2. Admits the allegations in Paragraph 2 of the Amended Complaint.

#### **JURISDICTION**

3. Avers that Paragraph 3 purports to set forth conclusions of law to which no responsive pleading is required, but to the extent a response is required, admits the allegations contained in the first sentence of Paragraph 3; avers that, in the Amended Complaint, Plaintiff alleges that its claims arise under the Lanham Act, 15 U.S.C. § 1125(a) and Minn. Stat. § 325D.44, et seq.; and otherwise denies the allegations in Paragraph 3 of the Amended Complaint.

#### **FACTS**

- 4. Lacks sufficient knowledge or information to form a belief as to the allegations in Paragraph 4 of the Amended Complaint and on that basis denies such allegations.
- 5. Lacks sufficient knowledge or information to form a belief as to the allegations in Paragraph 5 of the Amended Complaint and on that basis denies such allegations.
- 6. Avers that Paragraph 6 purports to set forth conclusions of law to which no responsive pleading is required, but to the extent a response is required, lacks sufficient

knowledge or information to form a belief as to the allegations in Paragraph 6 of the Amended Complaint and on that basis denies such allegations.

- 7. Lacks sufficient knowledge or information to form a belief as to the allegations in Paragraph 7 of the Amended Complaint and on that basis denies such allegations.
- 8. Avers that Paragraph 8 purports to set forth conclusions of law to which no responsive pleading is required, but to the extent a response is required, lacks sufficient knowledge or information to form a belief as to the allegations in Paragraph 8 of the Amended Complaint and on that basis denies such allegations.
- 9. Admits that clogs are being sold in the United States but, given the vagueness of this general allegation, lacks sufficient knowledge or information to form a belief as to the allegations in Paragraph 9 of the Amended Complaint and on that basis denies such allegations.
- 10. Avers that Paragraph 10 purports to set forth conclusions of law to which no responsive pleading is required, but to the extent a response is required, avers that Deckers has used the trademark UGG® in connection with its sale of footwear and other goods, including clogs; and otherwise denies the allegations in Paragraph 10 of the Amended Complaint.
- 11. Avers that Paragraph 11 purports to set forth conclusions of law to which no responsive pleading is required, but to the extent a response is required, denies the allegations in the first sentence of Paragraph 11; avers that UGG® boots were sold to California surfers, among others, in the late 1970s; and otherwise lacks sufficient

knowledge or information to form a belief as to the allegations in Paragraph 11 of the Amended Complaint and on that basis denies such allegations.

- 12. Avers that UGG® boots were sold to California surfers, among others, in the late 1970s; avers that in 1995 Deckers acquired Ugg Holdings, Inc., including the rights in the trademark UGG®; avers that the volume of UGG® product sales increased after 1995; and otherwise lacks sufficient knowledge or information to form a belief as to the allegations in Paragraph 12 of the Amended Complaint and on that basis denies such allegations.
- 13. Avers that Paragraph 13 purports to set forth conclusions of law to which no responsive pleading is required, but to the extent a response is required, avers that the trademark UGG® as used by Deckers is a valid and enforceable trademark, including for its boots sold in the United States; avers that Deckers uses its valid and enforceable trademark UGG® on products other than boots, including clogs, slippers (including moccasin-inspired slippers), and other non-sheepskin products; and otherwise denies the allegations in Paragraph 13 of the Amended Complaint.
- 14. Avers that Paragraph 14 purports to set forth conclusions of law to which no responsive pleading is required, but to the extent a response is required, lacks sufficient knowledge or information to form a belief as to the allegations in the first sentence regarding "when the Carlsson family first used Ugglebo on its website" and on that basis denies such allegations; and otherwise denies the allegations in Paragraph 14 of the Amended Complaint.

- 15. Avers that Paragraph 15 purports to set forth conclusions of law to which no responsive pleading is required, but to the extent a response is required, denies that Deckers's use of its valid and enforceable trademark UGG® on its products harms Plaintiff; avers that the letters "U," "G," and "G" are the first three letters of the word "ugglebo"; avers that Plaintiff does not have valid and enforceable trademark rights in its designation "Ugglebo"; and otherwise lacks sufficient knowledge or information to form a belief as to the allegations in Paragraph 15 of the Amended Complaint and on that basis denies such allegations.
- 16. Avers that Paragraph 16 purports to set forth conclusions of law to which no responsive pleading is required, but to the extent a response is required, avers that Plaintiff's use of the designation "Ugglebo" on clogs is likely to create consumer confusion with Deckers's valid and enforceable trademark UGG®; denies that any conduct of Deckers is likely to create consumer confusion; and otherwise denies the allegations in Paragraph 16 of the Amended Complaint.
- 17. Avers that Paragraph 17 purports to set forth conclusions of law to which no responsive pleading is required, but to the extent a response is required, avers that consumers of Plaintiff's clogs bearing the designation "Ugglebo" are likely to believe mistakenly that such products are manufactured by or authorized, endorsed, or sponsored by Deckers; lacks sufficient knowledge or information to form a belief as to the allegations in the second sentence of Paragraph 17 of the Amended Complaint and on that basis denies such allegations; denies that any conduct of Deckers is likely to create

consumer confusion; and otherwise denies the allegations in Paragraph 17 of the Amended Complaint.

- 18. Lacks sufficient knowledge or information to form a belief as to the allegations in Paragraph 18 of the Amended Complaint and on that basis denies such allegations.
- 19. Avers that Paragraph 19 purports to set forth conclusions of law to which no responsive pleading is required, but to the extent a response is required, denies the allegations in Paragraph 19 of the Amended Complaint.
- 20. Lacks sufficient knowledge or information to form a belief as to the allegations in Paragraph 20 of the Amended Complaint and on that basis denies such allegations.

# COUNT I (Federal Unfair Competition) (Lanham Act § 43(a), 15 U.S.C. § 1125(a))

- 21. Refers to and incorporates by reference its responses to Paragraphs 1 through 20 of the Amended Complaint.
  - 22. Denies the allegations in Paragraph 22 of the Amended Complaint.
- 23. Avers that Plaintiff's use of the designation "Ugglebo" in connection with its products is likely to cause confusion, or to cause mistake, or to deceive as to affiliation, connection or association between Plaintiff's products and Deckers's UGG® products; and otherwise denies the allegations in Paragraph 23 of the Amended Complaint.
  - 24. Denies the allegations in Paragraph 24 of the Amended Complaint.

25. Denies the allegations in Paragraph 25 of the Amended Complaint.

### **COUNT II**

# (Minnesota Deceptive Trade Practices Act) (Minn. Stat. § 325D.44, et seq.)

- 26. Refers to and incorporates by reference its responses to Paragraphs 1 through 25 of the Amended Complaint.
  - 27. Denies the allegations in Paragraph 27 of the Amended Complaint.
  - 28. Denies the allegations in Paragraph 28 of the Amended Complaint.

#### **AFFIRMATIVE DEFENSES**

By alleging the Affirmative Defenses set forth below, Deckers does not agree or concede that it bears the burden of proof or the burden of persuasion on any of these issues, whether in whole or in part.

## First Affirmative Defense (Failure to State a Claim)

The Amended Complaint fails to state a valid claim upon which relief can be granted.

# **Second Affirmative Defense (Lack of Standing)**

Plaintiff's claims are barred, in whole or in part, to the extent they are based on alleged infringement of trademarks that Plaintiff does not (or did not) own, and for which Plaintiff does not (or did not) control, the exclusive right allegedly infringed at the time of the infringement.

## **Third Affirmative Defense (No Distinctiveness)**

Plaintiff's claims are barred, in whole or in part, because the designation "Ugglebo" is not inherently distinctive and has not acquired secondary meaning as that term is construed by applicable precedent.

# Fourth Affirmative Defense (Geographically Descriptive)

Plaintiff's claims are barred, in whole or in part, because the designation "Ugglebo" is geographically descriptive.

# Fifth Affirmative Defense (Not Source Identifier)

Plaintiff's claims are barred, in whole or in part, because the designation "Ugglebo" does not serve as a source identifier.

## **Sixth Affirmative Defense (Abandonment)**

Plaintiff's claims are barred, in whole or in part, because of Plaintiff's abandonment of the designation "Ugglebo."

# **Seventh Affirmative Defense (Acquiescence)**

Plaintiff's claims are barred, in whole or in part, by the doctrine of acquiescence.

# **Eighth Affirmative Defense (Estoppel)**

Plaintiff's claims are barred, in whole or in part, by the doctrine of estoppel.

# **Ninth Affirmative Defense (Waiver)**

Plaintiff's claims are barred, in whole or in part, by the doctrine of waiver.

# **Tenth Affirmative Defense (Unclean Hands)**

Plaintiff's claims are barred, in whole or in part, by the doctrine of unclean hands.

## **Eleventh Affirmative Defense (Laches)**

Plaintiff's claims are barred, in whole or in part, by the doctrine of laches.

# **Twelfth Affirmative Defense (Lack of Priority)**

Plaintiff's claims are barred, in whole or in part, because Plaintiff's alleged use of the designation "Ugglebo" does not have priority over Deckers's use of its valid and enforceable trademark UGG®, under federal, state, or common law.

## **Thirteenth Affirmative Defense (Failure to Mitigate)**

Plaintiff's claims are barred, in whole or in part, by its failure to mitigate damages, if any.

## **COUNTERCLAIM**

By way of this Counterclaim ("Counterclaim") against Ugglebo Clogs, Deckers refers to and incorporates by reference its responses to Paragraphs 1 through 28 of the Amended Complaint and its Affirmative Defenses, and alleges as follows:

#### **PARTIES**

- Deckers is a Delaware corporation, having a principal place of business at
   495-A South Fairview Avenue, Goleta, California 93117.
- 2. On information and belief, Ugglebo Clogs is a Minnesota limited liability company, having a principal place of business at 11130 Lake Point Drive, Chisago City, Minnesota 55013.

## **JURISDICTION AND VENUE**

- 3. This Court has jurisdiction pursuant to 28 U.S.C. §§ 2201, 2202, 1331, 1338, and 1367; 15 U.S.C. § 1119 and 1121; and the doctrines of ancillary and pendent jurisdiction.
- 4. This Court has personal jurisdiction over Ugglebo Clogs because, on information and belief, Ugglebo Clogs resides in and conducts business in the State of Minnesota, and has committed the acts giving rise to this action in this District. In addition, Ugglebo Clogs has established minimum contacts with the forum such that the exercise of jurisdiction over it would not offend traditional notions of fair play and substantial justice.
- 5. Ugglebo Clogs has been and continues to do business in this District, advertising, promoting, and selling products, including clogs.
- 6. Venue is proper in this District under 28 U.S.C. § 1391 because Ugglebo Clogs resides in this District. In addition, a substantial part of the events giving rise to this litigation occurred in this District.

# **GENERAL ALLEGATIONS**

7. Deckers is the owner of the famous and highly distinctive trademark "UGG." Deckers holds valid and enforceable U.S. Trademark Registrations for its UGG trademark, as described herein, and also holds valid and enforceable common law rights in its UGG trademark through its continuous, material, and un-abandoned use of the UGG trademark on its products nationwide, as described herein. These federal and common law trademark rights are collectively referred to herein as the "UGG® Mark."

- 8. To date, Deckers and its predecessors have spent tens of millions of dollars over more than 30 years promoting the UGG® Mark, making it nationally recognizable and one of Deckers's most valuable business assets.
- 9. Deckers, through its predecessor companies, began selling sheepskin boots in the U.S. no later than in late 1978. Since that time, Deckers (and its predecessors) have devoted extensive time, effort, and money promoting the UGG® Mark in the U.S. (and select countries abroad), turning the UGG® Mark into a famous luxury brand.
- 10. In 1978, Brian Smith ("Smith") was the proprietor of a business entity (whose rights were eventually acquired by Deckers), which imported sheepskin boots from Australia. Smith marketed and sold these sheepskin boots in the U.S. as UGG®-brand boots.
- 11. On October 13, 1987, a U.S. trademark registration for ORIGINAL UGG BOOT UGG AUSTRALIA (with Ram Head Design) was issued to Ugg Imports, Inc. (a predecessor to Ugg Holdings, Inc.) with Registration No. 1,460,992. Through a series of transactions, this trademark, among others, came to be owned by Ugg Holdings, Inc.
- 12. Deckers acquired Ugg Holdings, Inc. in 1995. Deckers merged with this subsidiary in September 2004. Through this acquisition, Deckers acquired all trademark rights held by Ugg Holdings, Inc., including rights to the UGG® Mark.
- 13. Deckers has spent tens of millions of dollars extensively advertising and promoting its UGG® Mark through various channels, including print, film, and the Internet. Deckers uses the UGG® Mark with its distinctive sheepskin boots and other goods, resulting in strong secondary meaning of the UGG® Mark in the U.S.

- 14. Through Deckers's extensive marketing, innovative product designs, and other efforts, the UGG® Mark has achieved widespread familiarity and fame in U.S. households. For example, according to BB&T Capital Markets analyst Scott Krasik, who was quoted in the September 9, 2010 *Wall Street Journal Magazine* article "The Golden Fleece," "you can put [UGG®] on a level with Apple in terms of the attention the brand has brought."
- 15. Deckers has made the UGG® Mark famous through extensive investment in time, money, and resources and through marketing campaigns that have proven very successful, as is evidenced by its year-over-year sales growth. Deckers has built substantial goodwill in the UGG® Mark such that the UGG® Mark is now an iconic and exceptionally valuable asset.
- 16. Deckers currently owns U.S. Trademark Registrations for the UGG® Mark, including the following:
  - (a) U.S. Registration No. 3,412,734 (registered April 15, 2008) (attached as Exhibit 1);
  - (b) U.S. Registration No. 3,360,442 (registered December 25, 2007) (attached as Exhibit 2);
  - (c) U.S. Registration No. 3,166,352 (registered October 31, 2006) (attached as Exhibit 3);
  - (d) U.S. Registration No. 3,166,351 (registered October 31, 2006) (attached as Exhibit 4);

- (e) U.S. Registration No. 3,166,350 (registered October 31, 2006) (attached as Exhibit 5);
- (f) U.S. Registration No. 3,061,278 (registered February 21, 2006) (attached as Exhibit 6);
- (g) U.S. Registration No. 3,050,925 (registered January 24, 2006) (attached as Exhibit 7);
- (h) U.S. Registration No. 3,050,903 (registered January 24, 2006) (attached as Exhibit 8);
- (i) U.S. Registration No. 3,050,902 (registered January 24, 2006) (attached as Exhibit 9); and
- (j) U.S. Registration No. 3,050,865 (registered January 24, 2006) (attached as Exhibit 10).
- 17. In addition to its U.S. Trademark Registrations, Deckers holds valid and enforceable common law rights in the UGG® trademark through its continuous, material, and un-abandoned use of the trademark throughout the U.S.

# UGGLEBO CLOGS'S ILLEGAL ACTS

- 18. Upon information and belief, Ugglebo Clogs was formed in 2009 by Dave Giese, President of Ugglebo Clogs. Ugglebo Clogs manufactures and sells clogs bearing the designation "Ugglebo."
- 19. Deckers has nationwide priority of use of the UGG® Mark over Ugglebo Clogs's use of the designation "Ugglebo," both through Deckers's U.S. Trademark Registrations in the UGG® Mark and Deckers's common law rights in the UGG® Mark.

- 20. The first three letters of the designation "Ugglebo" are U-G-G, which constitutes the entirety of Deckers's valid and enforceable trademark UGG®.
- 21. Ugglebo Clogs was assigned an existing application to register the designation "Ugglebo" that had been previously filed by a third party on an "intent to use" basis with the United States Patent and Trademark Office. In an Office Action dated May 7, 2010, the examining attorney refused the registration "because of a likelihood of confusion with the marks in U.S. Registration Nos. 3050925 and 3360442," both of which are Deckers's U.S. Trademark Registrations for the UGG® Mark. Although Ugglebo Clogs responded to the Office Action on October 27, 2010 by alleging that "Applicant has priority of use over the cited marks," the examining attorney maintained the rejection on November 4, 2010 because "The applicant claims priority use, but did not provide any evidence of such use. Additionally, there is currently no indication of priority use currently [sic] in the record."
- 22. Upon information and belief, Ugglebo Clogs's use of the UGG® Mark to sell clogs and other footwear in the U.S. is being done in bad faith, with full knowledge of Deckers's ownership of and exclusive rights in the UGG® Mark, and with the intent to deceive and mislead the public into believing Ugglebo Clogs's products are sponsored, licensed, or authorized by or affiliated, connected or otherwise associated with Deckers.
- 23. Ugglebo Clogs's use of the UGG® Mark in the designation "Ugglebo" is likely to cause confusion or mistake or deceive consumers into thinking that Ugglebo Clogs's clogs are authorized or affiliated, connected, or otherwise associated with

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Deckers. Upon information and belief, Ugglebo Clogs intentionally, willfully, and in bad faith continues to foster this misimpression.

- 24. Ugglebo Clogs's continued use of the UGG® Mark to sell its clogs and other footwear is likely to diminish, blur, and tarnish the meaning of Deckers's famous UGG® Mark, thereby diluting its distinctive quality.
- 25. Ugglebo Clogs competes unfairly against Deckers by engaging in unlawful, deceptive, and inequitable activities to profit from the goodwill, recognition, and fame associated with the UGG® Mark.

# **INJURY TO DECKERS**

- 26. Ugglebo Clogs's unauthorized use of the UGG® Mark in connection with the sale of Ugglebo Clogs's clogs and other footwear falsely indicates to consumers that Ugglebo Clogs's products are in some manner connected with, sponsored by, affiliated with, or related to Deckers.
- 27. The UGG® Mark is famous and is widely recognized by U.S. consumers. Ugglebo Clogs's use of the UGG® Mark in the U.S. began after the UGG® Mark had become famous. Ugglebo Clogs's unauthorized use of the UGG® Mark has and will continue to have an adverse effect upon the value and distinctive quality of the UGG® Mark. Ugglebo Clogs's acts blur, dilute, and whittle away the distinctiveness and identity-evoking quality of the UGG® Mark by lessening its capacity to identify and distinguish Deckers exclusively as the source of goods bearing the UGG® Mark, as well as tarnish the UGG® Mark.

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- 28. Ugglebo Clogs's conduct has created and will continue to create confusion in the marketplace, as consumers are likely to believe that Ugglebo Clogs's clogs are authorized or endorsed by Deckers or that Ugglebo Clogs's clogs are somehow associated, affiliated with, or sponsored by Deckers.
- 29. Ugglebo Clogs's use of the UGG® Mark is illegal, flagrant, and unabashed. Ugglebo Clogs's use of the UGG® Mark is in bad faith, with full knowledge of Deckers's rights in the UGG® Mark and with the intent to deceive and mislead the public into believing that Ugglebo Clogs's clogs are sponsored, licensed, authorized by, affiliated, connected, or otherwise associated with Deckers.
- 30. Ugglebo Clogs's use of the famous and distinctive UGG® Mark is likely to diminish, blur, and/or tarnish the UGG® Mark, thereby diluting the distinctive qualities and causing reputational harm to Deckers.
- 31. Deckers has sustained and will continue to sustain damages as a result of Ugglebo Clogs's wrongful conduct.
- 32. Ugglebo Clogs's wrongful conduct is ongoing. As a direct and proximate result of Ugglebo Clogs's acts alleged above, Deckers has sustained and will sustain damages. Deckers has no adequate remedy at law to redress all of the injuries that Ugglebo Clogs has caused and intend to cause by its conduct. Deckers will continue to suffer irreparable damage and harm to its reputation and sustain lost profit until Ugglebo Clogs's actions alleged above are enjoined.

#### **CAUSES OF ACTION**

### FIRST CLAIM FOR RELIEF

Federal Trademark Infringement—Lanham Act, 15 U.S.C. § 1114(1)

- 33. Deckers hereby repeats and re-alleges the allegations set forth in the preceding paragraphs of this Counterclaim.
- 34. Ugglebo Clogs, without the consent of Deckers, has used and will continue to use in commerce designations confusingly similar to Deckers's federally registered UGG® Mark, including the designation "Ugglebo," in connection with the sale, offering for sale, distribution and advertising of goods with which such intended use is likely to cause confusion, or to cause mistake, or to deceive.
- 35. The aforesaid acts of Ugglebo Clogs constitute trademark infringement in violation of Section 32(a) of the Lanham Act, 15 U.S.C. § 1114(1).
- 36. The aforesaid acts of Ugglebo Clogs have been intentional, willful, and in bad faith.
- 37. The aforesaid acts of Ugglebo Clogs have caused, and are causing, great and irreparable harm to Deckers, and unless permanently restrained by this Court said irreparable injury will continue. Accordingly, Deckers is entitled to injunctive relief pursuant to 15 U.S.C. § 1116, damages pursuant to 15 U.S.C. § 1117(a), including Ugglebo Clogs's profits, and/or Deckers's actual damages and/or the costs of this action. Deckers is further entitled to attorneys' fees and costs because of Ugglebo Clogs's conduct.

### SECOND CLAIM FOR RELIEF

# Federal Trademark Infringement & Unfair Competition—Lanham Act, 15 U.S.C. § 1125(a)

- 38. Deckers repeats and re-alleges the allegations set forth in the preceding paragraphs of this Counterclaim.
- 39. Ugglebo Clogs makes, imports, distributes, uses, offers to sell, and sells clogs that directly infringe the UGG® Mark in violation of § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). Deckers has actively marketed, promoted, and sold products bearing the UGG® Mark such that it has acquired secondary meaning within the relevant market and among the U.S. public and is highly distinctive.
- 40. Ugglebo Clogs has used the UGG® Mark without the authorization of Deckers and continues to trade off the goodwill created and maintained by Deckers in the UGG® Mark. Ugglebo Clogs's activities are likely to cause confusion, mistake, or deception as to the source of Ugglebo Clogs's products and Ugglebo Clogs's association with Deckers. Accordingly, Deckers is entitled to injunctive relief pursuant to 15 U.S.C. § 1116.
- 41. Ugglebo Clogs's use of the UGG® Mark has been and continues to be intentional, willful, and in bad faith, and Deckers therefore is entitled to damages pursuant to 15 U.S.C. § 1117(a), including Ugglebo Clogs's profits, and/or Deckers's actual damages and/or the costs of this action. Deckers is further entitled to attorneys' fees and costs because of Ugglebo Clogs's conduct.

# THIRD CLAIM FOR RELIEF Federal Trademark Dilution—Lanham Act, 15 U.S.C. § 1125(c))

- 42. Deckers repeats and re-alleges the allegations set forth in the preceding paragraphs of this Counterclaim.
- 43. Deckers has extensively and continuously promoted and used the UGG® Mark in the U.S., and the UGG® Mark has become a famous and well-known indicator of the origin of Deckers's boots.
- 44. Ugglebo Clogs is making commercial use of the UGG® Mark that dilutes and is likely to dilute the distinctiveness of the UGG® Mark by eroding the public's exclusive identification of the famous UGG® Mark with Deckers, tarnishing and degrading the positive associations and prestigious connotations of the UGG® Mark, and otherwise lessening the capacity of the UGG® Mark to identify and distinguish goods and services.
- 45. Ugglebo Clogs's actions demonstrate an intentional, willful, and malicious intent to trade on the goodwill associated with the UGG® Mark or to cause dilution of the UGG® Mark, to the great and irreparable injury of Deckers.
- 46. Ugglebo Clogs has caused and will continue to cause irreparable injury to Deckers's goodwill and business reputation, and dilution of the distinctiveness and value of the famous and distinctive UGG® Mark in violation of 15 U.S.C. § 1125(c), and Deckers therefore is entitled to injunctive relief and to Ugglebo Clogs's profits, actual damages, enhanced profits and damages, costs, and reasonable attorneys' fees pursuant to 15 U.S.C. §§ 1125(c), 1116, and 1117.

# <u>FOURTH CLAIM FOR RELIEF</u> State Trademark Dilution and Injury to Business Reputation

- 47. Deckers repeats and re-alleges the allegations set forth in the preceding paragraphs of this Counterclaim.
- 48. Deckers has extensively and continuously promoted and used the UGG® Mark throughout the U.S. and the UGG® Mark has become a famous, highly distinctive and well-known symbol of Deckers's products.
- 49. Ugglebo Clogs's unauthorized use of the UGG® Mark dilutes the distinctiveness of the famous trademark by eroding the public's exclusive identification of this distinctive mark with Deckers, and tarnishing and degrading the positive associations and prestigious connotations thereof.
- 50. Ugglebo Clogs is causing and will continue to cause irreparable injury to Deckers's goodwill and business reputation, and dilution of the distinctiveness and value of UGG® Mark in violation of the antidilution laws, whether codified by statute or developed by common law, of all U.S. states, including without limitation: California, CAL. BUS. & PROF. CODE § 14200 *et seq.*, Minnesota, MINN. STAT. ANN. § 333.285; New York, N.Y. GEN. BUS. Law § 360-1; Pennsylvania, 54 PA. CONS. STAT. ANN. § 1124; South Carolina, S.C. CODE ANN. § 39-15-1105; Texas, TEX. BUS. & COM. CODE ANN. § 16.29; Utah, UT. CODE ANN. § 70-3a-403; and Washington, WASH. REV. CODE ANN. § 19.77.160.
- 51. Deckers therefore is entitled to injunctive relief, damages and costs, as well as, if appropriate, enhanced damages, and reasonable attorneys' fees.

# FIFTH CLAIM FOR RELIEF State Unfair and Deceptive Trade Practices

- 52. Deckers repeats and re-alleges the allegations set forth in the preceding paragraphs of this Counterclaim.
- 53. Ugglebo Clogs has been and are passing off its goods as those of Deckers, causing a likelihood of confusion or of misunderstanding as to the source, sponsorship, or approval of Ugglebo Clogs's clogs as to Ugglebo Clogs's affiliation, connection, or association with Deckers, and otherwise damaging the public. Ugglebo Clogs's actions, as complained of herein, have been and will continue to be willful and intentional. Ugglebo Clogs's conduct constitutes unfair and deceptive acts or practices in the course of a business, trade, or commerce in violation of the statute or common law of all U.S. states, including without limitation: laws of California, CAL. BUS. & PROF. CODE § 17200 et seq.; New York, N.Y. GEN. BUS. L. § 349; South Carolina, S.C. CODE ANN. §§ 39-5-10 to 39-5-560; and Utah, UTAH CODE ANN. § 13-5-1, et seq.; and the unfair and deceptive trade practices statutes and common law of other states, including without limitation: Illinois, 815 ILL. COMP. ANN. 510/1 to 510/7; Maine, ME. REV. STAT. TIT. 10, §§ 1211-1216; Minnesota, MINN. STAT. ANN. §§ 325D.43-325D.48; and Ohio, OHIO REV. CODE ANN. §§ 4165.01 to 4165.04.
- 54. Ugglebo Clogs's unauthorized use of the UGG® Mark has caused and is likely to cause substantial and irreparable injury to the public and to Deckers, and Deckers is entitled to injunctive relief and to recover damages, punitive damages, costs, and reasonable attorneys' fees.

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# SIXTH CLAIM FOR RELIEF (Declaratory Relief)

- 55. Deckers repeats and re-alleges the allegations set forth in the preceding paragraphs of this Counterclaim.
- 56. As set forth in Ugglebo Clogs's Amended Complaint, Deckers's Answer and Affirmative Defenses to the same, and this Counterclaim, there is an actual, substantial, and continuing justiciable controversy between Deckers and Ugglebo Clogs concerning the validity and enforceability of the UGG® Mark—including U.S.

  Trademark Registrations for the UGG® Mark and common law rights in the UGG® Mark—as well as the alleged infringement thereof by Ugglebo Clogs.
- 57. An Examining Attorney at the United States Patent and Trademark Office denied Ugglebo Clogs's application for federal registration of the proposed trademark "Ugglebo" on the basis that such registration would cause a likelihood of confusion with Deckers's registered UGG® Mark.
- 58. An Examining Attorney at the United States Patent and Trademark Office rejected Ugglebo Clogs's application to register the designation "Ugglebo" "because of a likelihood of confusion with the marks in U.S. Registration Nos. 3050925 and 3360442," both of which are Deckers's U.S. Trademark Registrations for the UGG® Mark, and later maintained this rejection because "The applicant claims priority use, but did not provide any evidence of such use. Additionally, there is currently no indication of priority use currently [sic] in the record."

- 59. Ugglebo Clogs contends that its rights in the designation "Ugglebo" is superior to Deckers's rights in the UGG® Mark, and that Deckers is liable for various violations of Ugglebo Clogs's rights, as set forth in the Amended Complaint. In addition, in its prayer for relief in the Amended Complaint, Ugglebo Clogs seeks, among other things, a judgment "[e]njoining and restraining [Deckers], its officers, agents, servants, employees, attorneys and all others in active concert or participation with [Deckers], during the pendency of this action and thereafter permanently from ... [u]sing the mark Ugg or any confusingly similar designation alone or in combination with other word or design, as a trademark, trade name component or otherwise, to market, advertise, or identify products and services not produced or authorized by [Ugglebo Clogs]." Thus, Ugglebo Clogs seeks to permanently enjoin Deckers from using the UGG® Mark in any manner unless authorized by Ugglebo Clogs.
- 60. Deckers contends that its rights in the UGG® Mark are superior to Ugglebo Clogs's purported rights, if any exist, in the designation "Ugglebo"; that Deckers has not infringed the purported rights, if any exist, claimed by Ugglebo Clogs; and that Deckers is not otherwise liable for violations of any such purported rights, if any exist, as set forth in Deckers's Counterclaim and its Answer and Affirmative Defenses to the Amended Complaint, all of which are incorporated by reference. Absent a declaration of the validity, enforceability, and superiority of Deckers's rights in its UGG® Mark asserted in this action, including Deckers's non-infringement of Ugglebo Clogs's putative rights, Ugglebo Clogs will continue to assert its putative rights in the designation "Ugglebo" designation against Deckers, thereby causing damage to Deckers.

61. Deckers seeks a declaration that the UGG® Mark is valid and enforceable under federal, state and common law; a declaration that Deckers's rights in the UGG® Mark are superior nationwide to the putative rights alleged by Ugglebo Clogs in the "Ugglebo" designation; and a declaration that Deckers has not infringed any trademark or related interests for which Ugglebo Clogs claims ownership in this action.

# PRAYER FOR RELIEF

WHEREFORE, Deckers hereby prays as follows:

- 1. Ugglebo Clogs take nothing by its Amended Complaint and a judgment be entered in favor of Deckers and against Ugglebo Clogs, denying Ugglebo Clogs all relief requested in its Amended Complaint in this action and dismissing the Amended Complaint with prejudice;
- 2. Ugglebo Clogs and all of its agents, officers, employees, representatives, successors, assigns, attorneys, and all other persons acting, for, with, by, through, or under authority from Ugglebo Clogs, or in concert or participation with Ugglebo Clogs, and each of them, be enjoined permanently, from: using, copying, reproducing, or imitating Deckers's marks or any confusingly similar or colorable imitation thereof, including the "Ugglebo" designation, in any manner, and that all infringing materials, electronic or otherwise, in possession of Ugglebo Clogs be delivered up and destroyed pursuant to 15 U.S.C. § 1125 and all other state and federal law.
- 3. Ugglebo Clogs and all of its agents, officers, employees, representatives, successors, assigns, attorneys, and all other persons acting for, with, by, through, or under

authority from Ugglebo Clogs, or in concert or participation with Ugglebo Clogs be enjoined permanently, from:

- a. using the "Ugglebo" designation, or any other copy, reproduction, or colorable imitation or simulation of the UGG® Mark, on or in connection with Ugglebo Clogs's goods;
- b. using any trademark, identifier, designation or design of any kind, including the "Ugglebo" designation, on or in connection with Ugglebo Clogs's goods that is a copy, reproduction, colorable imitation, or simulation of, or confusingly similar to, the UGG® Mark;
- c. using any trademark, identifier, designation or design of any kind, including the "Ugglebo" designation, that is likely to cause confusion, mistake, deception, or public misunderstanding that such goods or services are produced or provided by Deckers, or are sponsored or authorized by Deckers, or are in any way connected or related to Deckers;
- d. using any trademark, identifier, designation or design of any kind, including the "Ugglebo" designation, on or in connection with Ugglebo Clogs's goods that dilutes or is likely to dilute the distinctiveness of the UGG® Mark; and
- e. passing off, palming off, or assisting in passing off or palming off Ugglebo Clogs's goods as those of Deckers, or otherwise continuing any and all acts of unfair competition as alleged in this Counterclaim.

- 4. Ugglebo Clogs be ordered to recall all products sold in the U.S. bearing the UGG® Mark or any other confusingly similar variation thereof, including the "Ugglebo" designation, which have been shipped by Ugglebo Clogs or under its authority, to any customer in the U.S., including, but not limited to, any wholesaler, distributor, retailer, consignor, or marketer, and also to deliver to each customer a copy of this Court's order as it relates to said injunctive relief against Ugglebo Clogs.
- 5. Ugglebo Clogs be ordered to deliver up for impoundment and for destruction all footwear, bags, boxes, labels, tags, signs, packages, receptacles, advertising, sample books, promotional material, stationary or other materials in the possession, custody, or under the control of Ugglebo Clogs in the U.S. that are found to adopt, infringe, or dilute the UGG® Mark or that otherwise unfairly compete with Deckers and its products.
- 6. Ugglebo Clogs be compelled to account to Deckers for any and all profits derived by Ugglebo Clogs from the sale or distribution of infringing goods in the U.S. as described in this Counterclaim.
- 7. Deckers be awarded all damages caused by the acts forming the basis of this Counterclaim.
- 8. Ugglebo Clogs be compelled to account for and turn over to Deckers all gains, profits, and advantages derived by Ugglebo Clogs available under federal, state, and common law.
- 9. Based on Ugglebo Clogs's knowing and intentional use of confusingly similar imitations of the UGG® Mark, the damages award be trebled and the award of

Ugglebo Clogs's profits be enhanced as provided for by 15 U.S.C. § 1117(a) and the state statutes cited in this Counterclaim.

- 10. Ugglebo Clogs be required to pay to Deckers the costs and reasonable attorneys' fees that Deckers has and will incur in this action pursuant to 15 U.S.C. § 1117(a) and the state statutes cited in this Complaint or other applicable law.
- 11. Based on Ugglebo Clogs's willful and deliberate infringement and dilution of the UGG® Mark and to deter such conduct in the future, Deckers be awarded punitive damages.
  - 12. This Court declare that:
    - a. Deckers's rights in the UGG® Mark are valid and enforceable;
    - b. Deckers's rights in the UGG® Mark are superior to those of Ugglebo Clogs in the "Ugglebo" designation nationwide;
    - c. Deckers has not violated any trademark or related interests of UggleboClogs.
- 13. That Deckers be granted such other and further relief, in law or equity, as this Court may find just and proper.

#### **DEMAND FOR JURY TRIAL**

Deckers hereby demands a trial by jury on any and all issues so triable in accordance with Federal Rule of Civil Procedure 38(b).

Dated: April 11, 2011

By: s/ Kevin D. Conneely

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